

235337



February 28, 2012

Mrs. Jocelyn Boyd
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

Dear Mrs. Boyd:

Progress Energy Carolinas' ("PEC") last general rate case was in 1988 in Docket No. 1988-11-E. The Commission's Order No. 88-864 issued in that proceeding required PEC to file quarterly earnings reports based on the Commission's findings in that proceeding containing:

- 1) System Rate of Return on Rate Base – Exhibit A1
- 2) South Carolina Rate of Return on Rate Base – Exhibit A2
- 3) Return on Common Equity (Allocated to South Carolina Retail) – Exhibit B
- 4) Earnings Per Share on Progress Energy Common Stock - \$1.94
- 5) Debt Coverage Ratio or Earnings to Fixed Charges – 4.20 times

In compliance with the ORS's request, PEC submits its quarterly earnings report for the 12 months ended December 31, 2011 on a per books and as adjusted basis using jurisdictional allocations based on 2010 data. Also included is a verification of the report by PEC's President and Chief Financial Officer.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559.

Sincerely,

A handwritten signature in cursive script, appearing to read "M. Scott Foster".

M. Scott Foster
Manager – PEC Regulatory & Property Accounting
Progress Energy Service Company

c: John Flitter

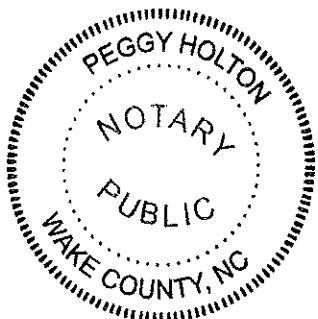
Enclosure

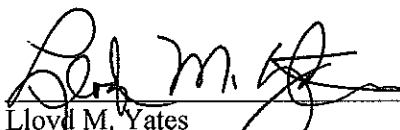
CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



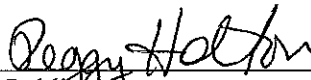


Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

Feb 23, 2012

Date Signed

Subscribed and Sworn to before me this 23rd day of February, 2012



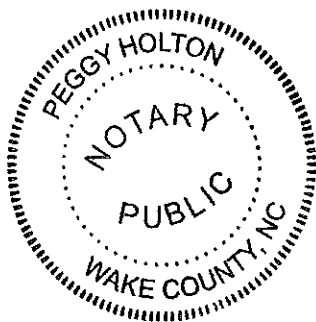
Notary Public
My Commission Expires: December 22, 2016

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Mark F. Mulhern, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Mark F. Mulhern
Mark F. Mulhern
Chief Financial Officer
Progress Energy, Inc.

2/23/12
Date Signed

Subscribed and Sworn to before me this 23rd day of February, 2012

Peggy Holton
Notary Public
My Commission Expires: December 22, 2016

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2011

EXHIBIT A1

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,528,783,200	-	4,528,783,200
OPERATING EXPENSE:			
NET O&M EXPENSES	2,900,473,459	41,523,635	2,941,997,094
DEPRECIATION	509,694,604	26,237,823	535,932,427
TAXES (OTHER THAN INCOME)	211,117,600	1,803,907	212,921,507
INCOME TAX - STATE	41,276,435	(20,676,542)	20,599,893
INCOME TAX - FEDERAL	(30,520,097)	(55,431,920)	(85,952,017)
PROV. FOR DEFERRED TAXES	278,421,240	59,088,800	337,510,040
INVESTMENT TAX CREDIT	(5,731,176)	-	(5,731,176)
TOTAL OPERATING EXPENSE	3,904,732,065	52,545,703	3,957,277,768
INCOME FOR RETURN:			
OPERATING INCOME	624,051,135	(52,545,703)	571,505,432
CUSTOMER GROWTH	1,380,064	(116,203)	1,263,861
INTEREST ON CUST. DEPOSITS	(7,128,359)	-	(7,128,359)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	618,302,840	(52,661,906)	565,640,934
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	17,922,246,208	264,315,937	18,186,562,145
PLANT HELD FOR FUTURE USE	18,443,783	-	18,443,783
RESERVE FOR DEPRECIATION	(9,100,823,485)	(26,237,823)	(9,127,061,308)
NET PLANT IN SERVICE	8,839,866,506	238,078,114	9,077,944,620
NUCLEAR FUEL INVENTORY	466,523,419	-	466,523,419
DEFERRED TAXES - LIB. DEPR.	(1,891,743,594)	138,618,122	(1,753,125,472)
REGULATORY ASSETS	961,265,118	(138,618,122)	822,646,996
WORKING CAPITAL:			
MATERIALS & SUPPLIES	793,703,309	(47,843,144)	745,860,165
CASH WORKING CAPITAL	413,722,816	-	413,722,816
UNCLAIMED REFUNDS	41	-	41
PREPAYMENTS	13,800,961	-	13,800,961
TAX ACCRUALS	(14,171,862)	-	(14,171,862)
CUSTOMER DEPOSITS	(116,253,288)	-	(116,253,288)
OPERATING RESERVES	(704,065,909)	-	(704,065,909)
CUSTOMER ADVANCES FOR CONSTR.	(16,670,447)	-	(16,670,447)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	370,065,621	(47,843,144)	322,222,477
TOTAL RATE BASE	8,745,977,070	190,234,970	8,936,212,040
RATE OF RETURN (%)	7.07		6.33

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2011

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	531,962,301	-	531,962,301
OPERATING EXPENSE:			
NET O&M EXPENSES	336,800,508	4,749,421	341,549,929
DEPRECIATION	62,800,065	2,893,883	65,693,948
TAXES (OTHER THAN INCOME)	16,181,320	183,497	16,364,817
INCOME TAX - STATE	2,578,121	(39,989)	2,538,132
INCOME TAX - FEDERAL	3,402,515	(6,403,463)	(3,000,948)
PROV. FOR DEFERRED TAXES	32,766,159	6,714,348	39,480,507
INVESTMENT TAX CREDIT	(634,148)	-	(634,148)
TOTAL OPERATING EXPENSE	453,894,540	8,097,697	461,992,236
INCOME FOR RETURN:			
OPERATING INCOME	78,067,761	(8,097,697)	69,970,065
CUSTOMER GROWTH	(15,812)	1,640	(14,172)
INTEREST ON CUST. DEPOSITS	(576,349)	-	(576,349)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	77,475,600	(8,096,057)	69,379,544
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,066,460,077	29,177,020	2,095,637,097
PLANT HELD FOR FUTURE USE	2,035,952	-	2,035,952
RESERVE FOR DEPRECIATION	(1,056,756,555)	(2,990,110)	(1,059,746,665)
NET PLANT IN SERVICE	1,011,739,474	26,186,910	1,037,926,384
NUCLEAR FUEL INVENTORY	52,804,810	-	52,804,810
DEFERRED TAXES - LIB. DEPR.	(235,364,766)	15,827,556	(219,537,210)
REGULATORY ASSETS	127,917,998	(15,301,626)	112,616,372
WORKING CAPITAL:			
MATERIALS & SUPPLIES	84,324,751	(5,415,266)	78,909,485
CASH WORKING CAPITAL	51,719,123	-	51,719,123
UNCLAIMED REFUNDS	689	-	689
PREPAYMENTS	1,581,151	-	1,581,151
TAX ACCRUALS	(1,623,644)	-	(1,623,644)
CUSTOMER DEPOSITS	(17,829,225)	-	(17,829,225)
OPERATING RESERVES	(80,166,687)	-	(80,166,687)
CUSTOMER ADVANCES FOR CONSTR.	(1,909,902)	-	(1,909,902)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	36,096,256	(5,415,266)	30,680,990
TOTAL RATE BASE	993,193,772	21,297,573	1,014,491,345
RATE OF RETURN (%)	7.80		6.84

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED DECEMBER 31, 2011

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	4,187,977,723	43.52%	432,237,929	4.77%	20,617,749
PREFERRED STOCK	59,333,982	0.62%	6,157,801	5.54%	341,142
COMMON EQUITY	5,374,570,443	55.86%	554,798,041	10.19%	56,516,708
TOTAL CAPITALIZATION	9,621,882,148	100.00%	993,193,772		77,475,600

"ADJUSTED"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	4,187,977,723	44.06%	446,984,887	4.77%	21,321,179
PREFERRED STOCK	59,333,982	0.62%	6,289,846	5.54%	348,457
COMMON EQUITY	5,258,248,336	55.32%	561,216,612	8.50%	47,709,908
TOTAL CAPITALIZATION	9,505,560,041	100.00%	1,014,491,345		69,379,544